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State of Idaho  
Legislative Services Office

**IDAHO BOARD OF NURSING**  
**MANAGEMENT REPORT**  
**90-DAY FOLLOW-UP**  
**FISCAL YEARS 2011, 2012, AND 2013**

Date Issued: July 28, 2015

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On January 8, 2015, the Legislative Services Office released a management report for the Idaho Board of Nursing (Board) for the fiscal years 2011, 2012, and 2013. The Board was contacted in May 2015, and this report addresses how it has responded to the one finding and recommendation in the report.

**FINDING 1**

The Board of Nursing exceeds internal policies for operating cash needs by three times, with approximately two year's expenditures worth of cash on hand.

**We recommended that the Board complete an analysis of their operations and customer needs to determine a solution to reduce their cash balance to an appropriate reserve level. Changes could include identifying needed services for their licensees, improving licensee monitoring or safety activities, or a reduction of fees.**

**AUDIT FOLLOW-UP**

Since fiscal year 2008, the Board's Strategic Plan included the goal to meet current and projected needs through sound fiscal resources management. The benchmark has been to have a reserve of at least 12 months of operating costs. The Board has recently instructed its administration to update their internal policy to increase the operating cash reserve from six months to twelve months in order to be consistent with their strategic plan. This revision is expected to be reviewed during their July 2015 Board meeting. Increases in desired cash reserves is in anticipation of revenue reductions related to decreases in the workforce of Licensed Practical Nurses (LPN) and Licensed Registered Nurses (RN) and other regulatory changes.

We performed an analysis of cash balances and respective year-to-date receipts. Based on the cyclical nature of their licensing renewals, we expect a significant amount of receipts to be collected in June 2015 and projected an ending cash balance at June 30, 2015 and year-to-date receipts. The cash balance, receipts, and expenditures for each fiscal year are presented below.

	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b> (projected)
Ending Cash Balance	\$1,925,080	\$2,050,065	\$2,488,008	\$2,297,594
Receipts for the Year Ended*	\$1,373,529	\$1,153,597	\$1,563,424	\$1,095,376
Expenditures for the Year Ended	\$996,422	\$1,028,612	\$1,125,481	1,285,790

\*Receipts are higher in even years when Licensed Registered Nurses renew their licenses.

Our analysis shows the Board's projected cash balance at the end of fiscal year 2015 will be approximately 170% of their fiscal year 2016 expenditure appropriation of \$1,372,900. In addition, there was an increase in receipts during even fiscal years and only a projected slight decrease in the odd years. At this time, we do not anticipate the Board's cash balance will be reduced to a 12-month reserve over the next few years.

**STATUS – Open**